

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

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IN THE MATTER OF:	)	
	)	
HURRICANE RELIEF CORPS;	)	ADMINISTRATIVE PROCEEDING
JOE GATELY	)	NUMBER: <u>C-06-0194</u>
	)	
	)	
Respondents	)	

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**FINAL CEASE AND DESIST ORDER  
AND ORDER IMPOSING ADMINISTRATIVE PENALTY**

**I. JURISDICTION**

Comes now, James O. Nelson, II, Assistant Secretary of State for the Business Regulation and Enforcement Division (hereinafter "Division"), on behalf of Eric Clark, Secretary of State for the State of Mississippi, after having served a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty against Respondents HURRICANE RELIEF CORPS and JOE GATELY (hereinafter "Respondents") by Certified Mail, who have wholly failed to respond within the time allowed by the applicable rules, hereby issues this Final Cease and Desist Order and Order Imposing Administrative Penalty regarding Respondents' violations of the Mississippi Charitable Solicitations Act (hereinafter "Act"), codified at Miss. Code Ann. §§ 79-11-501 *et seq.*

Section 79-11-501(a)(i)(B) of the Act defines "charitable organization" with the following:

Any person actually or purporting to be established for any voluntary health and welfare, benevolent, philanthropic, patriotic, educational, humane, scientific, public health, environmental conservation, civic, or other eleemosynary purpose or for the benefit of law enforcement personnel, fire fighters, or other public safety organizations, or any person employing in any manner a charitable appeal as the basis of any solicitation or any appeal that suggest that there is a charitable purpose to any solicitation....

Respondents purport to be established for the purpose of soliciting contributions to be used to assist victims of Hurricane Katrina. Because Respondents' purpose is benevolent and humane in nature, Respondents fall within the definition of "charitable organization." Thus, Respondents are subject to the Secretary of State's regulatory authority.

## **II. FINDINGS OF FACT**

1. Hurricane Relief Corps is a charitable organization with a last known address of 13312 Jessie Street, Ocean Springs, Mississippi 39564. Up to the issuance of this Order, Hurricane Relief Corps was not registered with the Division to solicit contributions in the State of Mississippi.
2. Joe Gately is a natural person with a last known address of 13312 Jessie Street, Ocean Springs, Mississippi 39564. Gately is the president and only known officer of Hurricane Relief Corps. Up to the issuance of this Order, Hurricane Relief Corps was not registered with the Division to solicit contributions in the State of Mississippi.
3. The Division discovered information indicating that Respondents solicited contributions in Mississippi from Mississippi residents without being registered with the Division.
4. On May 30, 2006, the Division issued a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty (hereinafter "Order") against Respondents. The Order is affixed hereto as Exhibit "A." The Order indicates that Respondents shall have thirty (30) days from the date of receipt of the Order to give written notice to the Division requesting a hearing on the matters contained in the Order.
5. On May 30, 2006, the Division mailed a true and correct copy of the Order to Respondents.
6. On June 12, 2006, the Division received the Order, addressed to Respondents,

returned and marked, "Moved Left No Address/ Unable to Forward/ Return to Sender."

7. On June 15, 2006, the Division delivered a true and correct copy of the Order, addressed to Respondents, to the Secretary of State pursuant to Miss. Code Ann. § 75-11-511.
8. On June 16, 2006, the Division mailed a true and correct copy of the Notice of Service and Affidavit of Compliance to Respondents pursuant to Miss. Code Ann. § 75-11-511. The Division sent the Notice of Service and Affidavit of Compliance, via certified mail, to the last known address of 13312 Jessie Street, Ocean Springs, Mississippi 39564.
9. On July 5, 2006, the Division received the Order, Notice of Service, and Affidavit of Compliance, addressed to Respondents, returned and marked, "Moved Left No Address/ Unable to Forward/ Return to Sender."
10. To date, Respondents have not contacted the Division regarding the Order.
11. Because Respondents failed to respond within the time allowed by the applicable rules, the Division issues this Final Cease and Desist Order and Order Imposing Administrative Penalty.

### **III. APPLICABLE LAW**

12. Section 79-11-501(d) of the Act states the following:

"Contribution" means the promise or grant of any money or property of any kind or value, including the promise to pay, except payments by members of an organization for membership fees, dues, fines, assessments or for services rendered to individual members...

13. Section 79-11-501(f) of the Act states the following:

"Person" means any individual, organization, group, association, partnership,



corporation, trust or any combination of them or any other entity however established within or without this state.

14. Section 79-11-501(j) of the Act states the following:

“Solicitation” or “solicit” means the request, directly or indirectly, for money, credit, property, financial assistance, or any other thing of value on the plea or representation that such money, credit, property, financial assistance, or other thing of value or a portion of it will be used for a charitable purpose or will benefit a charitable organization....

15. Section 79-11-503(1) of the Act states the following:

Except as otherwise provided in Section 79-11-505 and prior to any solicitation of contributions, every charitable organization as defined in Section 79-11-501 which solicits or intends to solicit contributions by any means whatsoever shall file a registration statement with, and pay a filing fee of Fifty Dollars (\$50.00) to, the Secretary of State....

16. Section 79-11-509(2) of the Act states the following, in relevant part:

The denial, suspension or revocation shall become effective thirty (30) days after receipt of the notification [to Respondent] unless a request for an administrative hearing is received by the Secretary of State before the expiration of the thirty (30) days.

#### **IV. CONCLUSIONS OF LAW**

It appears to the Division that Respondents violated Section 79-11-503(1) of the Act by soliciting contributions in the State of Mississippi for charitable purposes without having been registered with the Division or without having been exempted or excluded from the registration requirements of the Act.

#### **V. PUBLIC INTEREST**

The actions taken and proposed to be taken herein by the Secretary of State are in the public interest and are consistent with the purpose set out in Miss. Code Ann. § 79-11-501, *et seq.*

## VI. ORDER

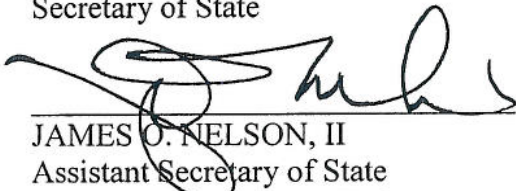
**IT IS THEREFORE ORDERED**, pursuant to the authority set out in section 79-11-501 through section 79-11-529 of the Act, that Respondents JOE GATELY and HURRICANE RELIEF CORPS shall permanently **CEASE AND DESIST** FROM ANY FURTHER ILLEGAL ACTIVITY IN, OR ORIGINATING FROM, the State of Mississippi in connection with solicitations of charitable contributions. In addition, JOE GATELY and HURRICANE RELIEF CORPS shall pay a fine in the amount of Twenty Five Thousand Dollars (\$25,000.00) each payable to the "Mississippi Secretary of State" within fifteen (15) days from the receipt of this Final Cease and Desist Order and Order Imposing Administrative Penalty.

**BE ADVISED THAT**, a willful violation of this Final Cease and Desist Order and Order Imposing Administrative Penalty may be punishable upon conviction by a fine of not more than Twenty-Five Thousand Dollars (\$25,000.00) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

This, the 7<sup>th</sup> day of AUGUST, 2006.

ERIC CLARK  
Secretary of State

By:

  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation & Enforcement

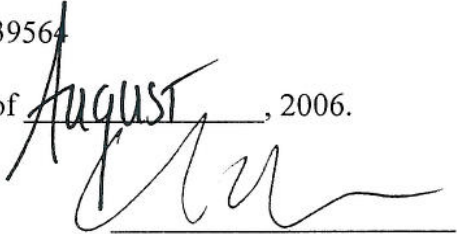
Nathan Thomas, MSB # 100496  
Mississippi Secretary of State's Office  
Post Office Box 136  
700 North Street  
Jackson, Mississippi 39205-0136  
(601) 359-6366

**CERTIFICATE OF SERVICE**

I, Nathan Thomas, do hereby certify that I have this day mailed via Certified Mail, postage pre-paid, a true and correct copy of the Final Cease and Desist Order and Order Imposing Administrative Penalty to the following:

Joe Gately  
Hurricane Relief Corps  
13312 Jessie Street  
Ocean Springs, Mississippi 39564

This, the 9th day of August, 2006.

  
\_\_\_\_\_  
NATHAN THOMAS  
Senior Attorney



OFFICE OF THE MISSISSIPPI SECRETARY OF STATE  
BUSINESS REGULATION AND ENFORCEMENT DIVISION

IN THE MATTER OF: )

HURRICANE RELIEF CORPS; )  
JOE GATELY )

ADMINISTRATIVE PROCEEDING  
NUMBER: C-06-0194

Respondents )

SUMMARY CEASE AND DESIST ORDER AND  
NOTICE OF INTENT TO IMPOSE ADMINISTRATIVE PENALTY

I. JURISDICTION

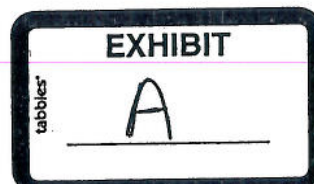
Comes now, James O. Nelson, II, Assistant Secretary of State for the Business Regulation and Enforcement Division (hereinafter "Division"), on behalf of Eric Clark, Secretary of State for the State of Mississippi, and issues this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty against Respondents Hurricane Relief Corps and Joe Gately (hereinafter "Respondents") for violations of the Mississippi Charitable Solicitations Act (hereinafter "Act"), codified at Miss. Code Ann. §§79-11-501 *et seq.*

Section 79-11-501(a)(i)(B) of the Act defines "charitable organization" with the following:

Any person actually or purporting to be established for any voluntary health and welfare, benevolent, philanthropic, patriotic, educational, humane, scientific, public health, environmental conservation, civic, or other eleemosynary purpose or for the benefit of law enforcement personnel, fire fighters, or other public safety organizations, or any person employing in any manner a charitable appeal as the basis of any solicitation or any appeal that suggest that there is a charitable purpose to any solicitation....

Respondents purport to be established for the purpose of soliciting contributions to be

C-06-0194



used to assist victims of Hurricane Katrina. Because Respondents' purpose is benevolent and humane in nature, Respondents fall within the definition of "charitable organization." Thus, Respondents are subject to the Secretary of State's regulatory authority.

## **II. FINDINGS OF FACT**

1. Hurricane Relief Corps is a charitable organization with a last known address of 13312 Jessie Street, Ocean Springs, Mississippi 39564. Up to the issuance of this Order, Hurricane Relief Corps was not registered with the Division to solicit contributions in the State of Mississippi.
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3. The Division discovered information indicating that Respondents solicited contributions in Mississippi from Mississippi residents without being registered with the Division.

## **III. APPLICABLE LAW**

4. Section 79-11-501(d) of the Act states the following:

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“Solicitation” or “solicit” means the request, directly or indirectly, for money, credit, property, financial assistance, or any other thing of value on the plea or representation that such money, credit, property, financial assistance, or other thing of value or a portion of it will be used for a charitable purpose or will benefit a charitable organization....

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Except as otherwise provided in Section 79-11-505 and prior to any solicitation of contributions, every charitable organization as defined in Section 79-11-501 which solicits or intends to solicit contributions by any means whatsoever shall file a registration statement with, and pay a filing fee of Fifty Dollars (\$50.00) to, the Secretary of State....

#### **IV. CONCLUSIONS OF LAW**

It appears to the Division that Respondents violated Section 79-11-503(1) of the Act by soliciting contributions in the State of Mississippi for charitable purposes without having been registered with the Division or without having been exempted or excluded from the registration requirements of the Act.

#### **V. ADMINISTRATIVE PENALTY**

Please take notice that the Secretary of State intends to impose an administrative penalty of up to Twenty-five Thousand Dollars (\$25,000.00) for each offense, each violation to be considered a separate offense in a single proceeding, of Miss. Code Ann. Section 79-11-501 through 79-11-529.

The imposition of an administrative penalty shall be assessed and an order assessing same shall become effective, along with a final Cease and Desist Order, thirty (30) days after receipt of this Notice unless a request for an administrative hearing is received by the Secretary of State before the expiration of said thirty (30) days.

## **VI. PUBLIC INTEREST**

The actions taken and proposed to be taken herein by the Secretary of State are in the public interest and are consistent with the purpose set out in Miss. Code Ann. Section 79-11-501, *et seq.*

## **VII. AMENDMENTS**

The Division reserves the right to amend this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty.

## **VIII. ORDER**

**IT IS THEREFORE ORDERED**, pursuant to the authority set out in §79-11-501 through §79-11-529 of the Act, that the Respondents Joe Gately and Hurricane Relief Corps shall immediately **CEASE AND DESIST FROM ANY FURTHER ILLEGAL ACTIVITY IN, OR ORIGINATING FROM**, the State of Mississippi in connection with solicitations of charitable contributions.

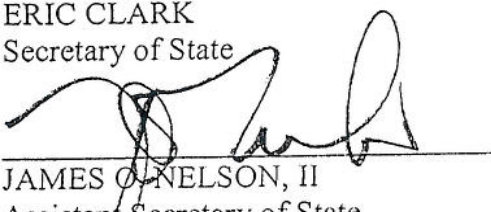
**NOTICE** is hereby given that the Respondents shall have thirty (30) days from the date of receipt of this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to give written notice to James O. Nelson, II, Assistant Secretary of State for Business Regulation & Enforcement, Office of the Secretary of State, Post Office Box 136, 700 North Street, Jackson, Mississippi 39205-0136. In the event such a hearing is requested, the Respondents may appear, with or without the assistance of an attorney, on a date and at a time and place to be specified and cross-examine witnesses, present testimony, evidence and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondents' behalf at the hearing relating to matters contained herein. In the event

such written notice is not received within said thirty (30) day period of time, a FINAL CEASE AND DESIST ORDER may be entered in this proceeding with no further notice.

This, the 30<sup>th</sup> day of MAY, 2006.

ERIC CLARK  
Secretary of State

By:

  
JAMES O. NELSON, II  
Assistant Secretary of State  
Business Regulation & Enforcement

STATE OF MISSISSIPPI	
I hereby certify that this is a true and complete copy of	
the <u>5</u>	page document on file in this office
DATED <u>MAY 30</u>	, 20 <u>06</u>
BY <u>Eric Clark</u>	
This Certification Stamp Replaces Our Previous Certification System	




### CERTIFICATE OF SERVICE

I, Nathan Thomas, do here by certify that I have this day mailed via Certified Mail, postage pre-paid, a true and correct copy of the Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to the following:

Joe Gately  
Hurricane Relief Corps  
13312 Jessie Street  
Ocean Springs, Mississippi 39564

This, the 30<sup>th</sup> day of May, 2006.

  
\_\_\_\_\_  
NATHAN THOMAS  
Senior Attorney